UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF RHODE ISLAND

CONSORZIO DEL PROSCIUTTO DI SAN DANIELE	:	
v.	:	**C.A. No. 07-039ML**
DANIELE, INC.	:	

MEMORANDUM OF LAW IN SUPPORT OF DEFENDANT'S AMENDED MOTION TO STAY DISCOVERY

In this case, the plaintiff filed a Three-Count Complaint. The first count was for breach of contract relative to the Settlement Agreement dated March 25, 2005; the second count was for false designation of origin under the Trademark Act; and the third count was for infringement under the Trademark Act. Plaintiff propounded extensive discovery relative to the complaint that was filed. Plaintiff propounded 23 interrogatories on May 2, 2007 and propounded 42 requests for production on May 2, 2007 (Attached as **Exhibit A** is a copy of the interrogatories; attached as **Exhibit B** is a copy of the requests for production). In order to preserve objections under the Rules of Civil Procedure, defendant filed its objections to the interrogatories and the requests for production on January 9, 2008. (Attached as **Exhibit C** are the objections to the interrogatories and attached as **Exhibit D** are the objections to the requests for production).

The main assertion being made by plaintiff in this lawsuit was that defendant failed to adopt one trademark and therefore breached the Settlement Agreement dated March 25, 2005. Plaintiff alleged in its complaint that defendant was using its corporate name Daniele, Inc. as a *de facto* trademark. Plaintiff made this assertion on the grounds that plaintiff alleged that the five trademarks being used by defendant were not valid trademarks and were descriptive terms and were not suggestive. The factual issue to be decided of whether the names are descriptive and/or suggestive will be dispositive to plaintiff's main argument relative to the breach of contract action. If the court finds in an evidentiary hearing that the names are valid trademarks, then the court never addresses Count II and Count III of the Complaint. Thus, this court's ruling on Count I could render moot the issues on Count II and Count III.

Based on this court's ruling on plaintiff's motion for partial summary judgment and defendant's cross-motion that Daniele, Inc. is not limited to only one trademark on its line of prosciutto products, it seems economically and judicially prudent for this court to stay discovery on Count II and Count III and proceed with discovery on Count I. If this court rules in favor of defendant on Count I, then Count II and Count III are dismissed. If Daniele, Inc. did not materially breach the Settlement Agreement as alleged in Count I and cause confusion between defendant's product and plaintiff's product, then Count II and Count III fail.

This court has inherent and equitable powers to regulate how and when discovery occurs, to best promote judicial economy, judicial resources and litigants' convenience and expense. The court will endeavor to avoid substantial hardship on the part of those involved. See, Landis v. North American Co., 299 U.S. 248, 254-55 (1936).

Because Count II and Count III are dependent on plaintiff's succeeding on Count I, it makes judicial sense to limit discovery to Count I and have an expedited hearing on Count I so the court can make a determination as to whether the five names being used by defendant are valid trademarks. Otherwise, a lot of time, money and judicial resources will be spent deciding discovery disputes relative to Count II and Count III that do not even arise unless there has been a material breach of the Settlement Agreement dated March 25, 2005 and a finding that defendant's conduct and/or actions have caused a likelihood of confusion between the respective party's product.

This court has discretion to grant the motion to stay if the court feels it is in the best interest of the litigants and the court in addressing the matters before the court. "Apart, however, from any concession, the power to stay proceedings is incidental to the power inherent in every court to control the disposition of the causes on its docket with economy of time and effort for itself, for counsel, and for litigants. How this can best be done calls for exercise of judgment, which must weigh competing interest and maintain an even balance." Landis v. North American Co., 299 U.S. 248, 254-55 (1936); see, also, Diomed, Inc.. v. Total Vein Solutions, LLC, 498 F. Supp. 2d 385, 387 (D.Mass. 2007).

Limiting discovery to Count I of the Complaint and having an expedited hearing on Count I would be the most practical and best use of judicial time and resources. It would avoid unnecessary expense to the litigants, would obviate unnecessary motions and depositions on matters governed by Count II and Count III of the Complaint that may be rendered moot by this court's ruling on Count I of the Complaint.

Discovery pertaining to Count I of the Complaint is separate and distinct from discovery that would be propounded relative to Count II and Count III of the Complaint dealing with causes of action under the Trademark Act. By entering into the Settlement Agreement dated March 25, 2005, Daniele, Inc. resolved the same causes of action that plaintiff alleged in the 2003 lawsuit. The claims being asserted in Count II and Count III were asserted in the 2003 lawsuit. The Consorzio is seeking to enforce the Settlement Agreement, is pursuing injunctive relief, and is seeking damages resulting from the alleged breach of the 2005 Settlement Agreement. Plus, at the same time, plaintiff is seeking to resurrect the claims under the Trademark Act.

For the reasons stated, defendant is seeking to stay discovery on Count II and Count III of the Complaint and is requesting a revised pre-trial order so that Count I is heard and decided on an expedited basis after allowing for reasonable discovery pertaining to Count I of the Complaint. Defendant believes that no undue hardship will result from this action and that judicial time and resources as well as the litigants' time and expenses will best be served by proceeding as outlined.

Defendant's counsel has in good faith conferred or attempted to confer with plaintiff's counsel pertaining to the above motion in an effort to resolve the motion without court intervention.

Defendant is requesting an oral argument and anticipates a combined time of no more than one hour.

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CERTIFICATION

The undersigned hereby certifies that this document has been filed electronically on this 22nd day of January, 2008, and is available for viewing and downloading to the ECF registered counsel of record:

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CERTIFICATION

The undersigned hereby certifies that a true copy of the within document was forwarded on this 22nd day of January, 2008, via first class mail, postage pre-paid, to the following counsel of record:

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